

AMENDED IN ASSEMBLY MARCH 15, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2267

Introduced by Assembly Member Eng

February 18, 2010

An act to amend Section 7071.6 of the Business and Professions Code, relating to contractors.

LEGISLATIVE COUNSEL'S DIGEST

AB 2267, as amended, Eng. Contractors: license requirements: bond.

Existing law, the Contractors' State License Law, provides for the licensure and regulation of contractors by the Contractors' State License Board. Existing law requires the board, as condition to the issuance, reinstatement, reactivation, renewal, or continued maintenance of a license, that the applicant or licensee file or have on file a bond for \$12,500. *Except as specified for certain claims brought by homeowners relating to personal family residences*, existing law ~~permits any specified beneficiaries from claiming or recovering the full measure of this bond~~ *provides that a claim against the bond may not exceed \$7,500.*

~~This bill would specify that~~ *expand the exception to also include certain property owners related to single-family dwellings. The bill would also limit the recovery by a material supplier may recover to an amount not exceeding \$4,000.*

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 7071.6 of the Business and Professions Code is amended to read:

7071.6. (a) The board shall require as a condition precedent to the issuance, reinstatement, reactivation, renewal, or continued maintenance of a license, that the applicant or licensee file or have on file a contractor's bond in the sum of twelve thousand five hundred dollars (\$12,500).

(b) (1) Excluding the claims brought by the beneficiaries specified in ~~subdivision (a)~~ *subdivisions (a) and (b)* of Section 7071.5, the aggregate liability of a surety on claims brought against a bond required by this section shall not exceed the sum of seven thousand five hundred dollars (\$7,500). The bond proceeds in excess of seven thousand five hundred dollars (\$7,500) shall be reserved exclusively for the claims of the beneficiaries specified in ~~subdivision (a)~~ *subdivisions (a) and (b)* of Section 7071.5. However, nothing in this section shall be construed so as to prevent any beneficiary specified in ~~subdivision (a)~~ *subdivisions (a) and (b)* of Section 7071.5 from claiming or recovering the full measure of the bond required by this section.

(2) With respect to the bond required by this section, a material supplier may recover an amount not exceeding four thousand dollars (\$4,000).

(c) No bond shall be required of a holder of a license that has been inactivated on the official records of the board during the period the license is inactive.

(d) Notwithstanding any other provision of law, as a condition precedent to licensure, the board may require an applicant to post a contractor's bond in twice the amount required pursuant to subdivision (a) until the time that the license is renewed, under the following conditions:

(1) The applicant has either been convicted of a violation of Section 7028 or has been cited pursuant to Section 7028.7.

(2) If the applicant has been cited pursuant to Section 7028.7, the citation has been reduced to a final order of the registrar.

1 (3) The violation of Section 7028, or the basis for the citation
2 issued pursuant to Section 7028.7, constituted a substantial injury
3 to the public.

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